

## APPLICATION / RATE TEMPLATE CHANGE LOG

05/01/07

No substantive changes to the Rate Template since the 04/17/07 version. On the Instruction tab, directions for correcting a common Excel error were added at the bottom of the page. On the Template tab, Coverage and (template) Version Date were added. On the Rate Making Data tab, a special error message will appear when Marketing System does not total 100%.

08/01/07

Changed Maximum Rate of Return from 10.88% to 10.91%.

09/01/07

Effective this date, the California Department of Insurance is rolling out a new all Excel version of the Prior Approval Rate Application and Rate Template. While the formatting changes are too numerous to mention, there are no substantive changes to the rate template. We are asking all filers, paper and electronic, to use the new application. Electronic (SERFF) filers should submit both the original Excel version and a PDF copy of the application. Paper filers should retain the Excel copy, as you may be asked to submit it via email, once your filing is accepted. The Excel application contains a rate template. However the stand alone version of the Prior Approval Rate Template is available for filings that require multiple rate templates.

Please note that Excluded Expenses and Federal Income Tax on Investment Income & Yield, previously required under separate exhibits, are now part of the application.

10/12/07

The Rate Template has been amended to correct an error.

11/01/07

The significant change this time is the annual update of the efficiency standard table, based on a rolling average of data from 2004 to 2006. There could be a significant change in the results for certain lines of insurance. The Maximum Rate of Return, based on the Risk Free Rate of Return has also been updated. The impact of this change should be minimal. Finally, the template was programmed to default to a 100% Credibility value for new programs.

12/07/07

The leverage and reserve factors were updated, based on AM Best's Aggregates & Averages - Property Casualty, 2006 Edition. Also the maximum rate of return was adjusted on a monthly basis. The impact of the leverage and reserves changes will vary by line of insurance.

01/10/08

The Maximum Rate of Return, based on the Risk Free Rate of Return has been updated.

02/22/08

The Maximum Rate of Return, based on the Risk Free Rate of Return has been updated.

03/20/08

The Maximum Rate of Return, based on the Risk Free Rate of Return has been updated.

04/15/08

The Maximum Rate of Return, based on the Risk Free Rate of Return has been updated.

05/16/08

The rate template was revised to conform to the new Prior Approval Regulations. The efficiency standard, leverage and reserves tables, and the Risk Free Rate of Return have been updated. We have also added a new loss conversion multiplier template along with instructions, which would apply only to filings of advisory organization loss costs.

06/16/08

The Maximum Rate of Return, based on the Risk Free Rate of Return has been updated.

07/29/08

The Maximum Rate of Return, based on the Risk Free Rate of Return has been updated.

08/15/08

The Maximum Rate of Return, based on the Risk Free Rate of Return has been updated.

